

**REPORT TO THE
CITY COUNCIL**
City of Salinas, California

DATE: June 14, 2016

FROM: Gary Petersen, C. A. E.
Public Works Director

SUBJECT: **COST SHARING WITH MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY TO FUND TECHNICAL SERVICES SUPPORTING GRANT APPLICATIONS FOR DEPARTMENT OF WATER RESOURCES PROPOSITION 1 GRANT FUNDING IN AN AMOUNT NOT TO EXCEED \$250,000**

RECOMMENDATION:

It is recommended that the City Council adopt a resolution approving the sharing of costs for technical support services for grant applications relating to Department of Water Resources Proposition 1 grant funding in an amount not to exceed \$250,000.

DISCUSSION:

In September of 2013, the Salinas City Council entered into an MOU to develop an agreement to use Salinas Industrial Waste Water as a source for water for the Monterey Regional Water Pollution Control Agency (PCA) Ground Water Recharge (GWR) project. At this time, the City also recognized local needs in the Salinas Valley to protect agricultural interests by combating sea water intrusion into the aquifers from which irrigation water was being extracted.

In an effort to address these critical water issues, in June 2014, a letter of agreement between PCA, the Monterey County Water Resources Agency (WRA) and the City was developed and entered into to provide produce wash water for treatment by PCA for agricultural irrigation water to Castroville-area growers. On October 7, 2014 this Council committed to the development of final agreements to use Salinas produce wash water as source water for both GWR and the Castroville Seawater Intrusion Project (CSIP).

As part of the GWR and CSIP efforts, PCA and the City identified a variety of projects that need to be constructed to support CSIP, GWR, as well as protect the Industrial Waste Water Treatment Plant (IWWTP). Some of these large-scale projects include construction of a new permanent shunt for the capture and reuse of storm water, development of the slip lining of a return line from the IWWTP ponds, and treatment of ponds to increase storage capacity.

In partnership with PCA, staff has identified grant funding for these projects through the State of California Department of Water Resources (DWR) Proposition 1 Water Bond. Together, PCA and the City may apply for up to \$10,000,000 in grant funding toward the development of these projects.

However, in order to qualify for these grants, the City and PCA must demonstrate certain criteria, including the development of the functional equivalency of a Regional Storm Water Management Plan. Both the functional equivalency plan and the grant applications require substantial technical work that is proposed to be provided by Kennedy Jenks, a consultant firm that is currently under contract with PCA.

The grant application and functional equivalency plan development will be managed by PCA who is also responsible for managing the contract with Kennedy Jenks. The City has the opportunity to provide significant input into the functional equivalency plan and the grant applications, and has proposed to share half of the costs associated with this work, with the City's share not to exceed \$250,000.

ISSUE:

Shall the City Council adopt a resolution authorizing cost sharing with PCA in an amount not to exceed \$250,000 to pay for the development of a functionally equivalent storm water management plan and a grant application to acquire funding for essential water sustainability projects?

FISCAL IMPACT:

The proposed cost sharing agreement would be funded from the following sources:

Salinas Dry Weather Storm System (CIP 9075)	\$100,000
Industrial Waste Water Shunt (CIP 9940)	\$100,000
<u>Water Re-use Feasibility Study (CIP 9709)</u>	<u>\$50,000</u>
Total	\$250,000

TIME CONSIDERATIONS:

The project will come before the full PCA board for approval in July 2016. The City's proposed cost sharing agreement is essential to approval by the PCA Board.

ALTERNATIVES/IMPLICATIONS:

Council may elect not to share costs with PCA on this project and may provide further direction to staff. However, this is not recommended as this Council has approved previous agreements that support the construction of these projects, and these projects are budgeted as part of the overall Industrial Waste Water System improvement project and the City's storm water management program.

CITY COUNCIL GOALS:

This project supports City Council efforts of Economic Diversity and Prosperity of the Community, as well as its goal of Excellent Infrastructure as providing safe, secure sources of water.

CONCLUSIONS:

At its meeting on June 14, 2016, the City Council is requested to approve cost sharing with PCA in an amount not to exceed \$250,000.

Distribution:
City Council
City Manager
City Attorney
Department Directors

Back Up Pages:
Resolution

RESOLUTION NO. _____ (N.C.S.)

**RESOLUTION AUTHORIZING THE SHARING OF COSTS WITH
MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY FOR THE FUNDING
OF TECHNICAL SERVICES TO SUPPORT GRANT APPLICATIONS FOR DEPARTMENT
OF WATER RESOURCES PROPOSITON 1 FUNDING
IN AN AMOUNT NOT TO EXCEED \$250,000**

WHEREAS, in September 2013, the City Council entered into a Memorandum of Understanding with the Monterey Regional Water Pollution Control Agency to consider the use of City of Salinas produce wash water processed by the Industrial Waste Water Treatment Plant as source water for a Ground Water Replenishment Project; and

WHEREAS, in October 2014, the City Council entered into a another Memorandum of Understanding with the Monterey Regional Water Pollution Control Agency, Monterey County Water Resources Agency and the Monterey Water Management District to develop definitive agreements that would further consider the use of City of Salinas produce wash water processed by the Industrial Waste Water Treatment Plant as source water for a Ground Water Replenishment Project and to combat seawater intrusion by making source water available for the Castroville Seawater Intrusion project; and

WHEREAS, providing source water for these essential water projects requires the construction of facilities that will allow for diversion and storage of produce wash water, and storm water for recycling; and

WHEREAS, the proposed projects are essential to maintaining the integrity of the Industrial Waste Water Treatment Plant, the capture and treatment of storm water runoff and the storage of water for recycling; and are now eligible for grant funding from the California Department of Water Resources through Proposition 1; and

WHEREAS, application for grant funding requires significant technical support to develop the functional equivalency of a regional storm water management plan and the funding applications; and

WHEREAS, the Monterey Regional Water Pollution Control Agency is a party to these grant applications and has acquired the services of a consultant to provide required technical support and it is mutually beneficial to the City of Salinas to provide funding to support the technical consultant; and

WHEREAS, given the highly technical nature of the proposed work and grant applications, and previous Council direction relating to water sustainability, approval of the cost sharing agreement not to exceed \$250,000 from funding available in the Department of Public Works budget is warranted.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL that City staff is authorized to make payment to the Monterey Regional Water Pollution Control Agency in an amount not to exceed \$250,000 for technical support for grant applications.

PASSED AND ADOPTED this 14th day of June 2016, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Joe Gunter, Mayor

ATTEST:

Patricia M. Barajas, City Clerk